

Service Date: March 9, 1999

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the Application)	
of the MONTANA POWER COMPANY for)	UTILITY DIVISION
Authority to Increase a Financing)	
Lease With Respect to the Acquisition)	DOCKET NO. D99.2.32
And Installation of an Automated Meter)	
Reading System.)	DEFAULT ORDER
)	NO. 6145

On February 11, 1999, The Montana Power Company (Applicant or MPC), a corporation organized and existing under the laws of the state of Montana, filed with the Montana Public Service Commission (Commission) its application pursuant to Montana Code Annotated (MCA) §§ 69-3-501 through 69-3-507, seeking an order authorizing MPC to increase the amount of a lease, previously authorized in default Order No. 5997, with respect to the acquisition and installation of an automated meter reading system. The application is supported by exhibits and data in accordance with Commission practice and rules and regulations.

The application states that MPC is a public utility as defined in MCA § 69-3-101, in that it furnishes electric and natural gas service in the state of Montana; that MPC's principal executive office is at 40 East Broadway, Butte, Montana; and that MPC is duly qualified to do business in the states of Montana, Wyoming and Idaho. For detailed information with respect to the general character of MPC's business and the territory served by it, reference is made to the application.

FINDINGS

1. MPC is a corporation organized and existing under and by virtue of the laws of the state of Montana and is qualified to transact business in the state of Montana.
2. MPC is a public utility as defined in MCA § 69-3-101 and is engaged in furnishing electric and natural gas service in the state of Montana.
3. The Commission has jurisdiction over the subject matter of the application pursuant to MCA § 69-3-501.
4. The application states that MPC is seeking authority to increase the amount of its lease transaction to finance the acquisition and installation of an automated meter reading system approved by the Commission in its Default Order No. 5997. That Order provided for a maximum cost for leased assets of \$20,000,000. Due to system growth during the period of installation and a more accurate estimate of meters that can be converted to the new system, Applicant now estimates that the total cost of the leased assets, including the cost of purchasing the assets, capitalized installation costs, capitalized fees and transaction costs, will not exceed \$24,000,000.
5. Public notice of this application was given by its inclusion on the Commission's agenda for March 1, 1999.
6. MPC has furnished complete financial data with its application in accordance with the developed practice of the Commission. The application has been amended with a certified copy of the appropriate corporate resolution pertaining to this matter.

CONCLUSION OF LAW

1. The authorization to increase the amount of the financing lease with respect to the acquisition and installation of an automated meter reading system previously approved by Order No. 5997, as authorized by this Order, will be for a lawful purpose and is consistent with

the public interest and is necessary for appropriate for and consistent with the proper performance by MPC of service as a public utility in the state of Montana.

ORDER

1. The application of MPC for authority to increase by \$4,000,000 the amount of the lease transaction regarding the acquisition and installation of an automated meter reading system, the cost of which, together with capitalized installation costs, capitalized fees and transaction costs, will not exceed \$24,000,000, is approved.

2. In accordance with MCA § 69-3-507, nothing in this Order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the state of Montana to pay or guarantee, in any manner whatsoever, any security authorized, issued, assumed or guaranteed under the provisions of MCA §§ 69-3-501 through 69-3-507.

3. Issuance of this Order does not constitute acceptance of MPC's exhibits or other material accompanying the application of any purposes other than the issuance of this Order.

4. The approval of this lease transaction shall not be constructed as precedent to prejudice any future action of this Commission.

5. To the extent metering and billing evolves into a competitively provided service, MPC's shareholders shall bear sole responsibility for any unrecoverable costs that arise.

DONE IN OPEN SESSION at Helena, Montana this 8th day of March, 1999 vote of 5-0 .

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY MCCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

GARY FELAND, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.